

Message Text

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PAGE 01 BUDAPE 03514 241546Z

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EXDIS

E.O. 11652: GDS

TAGS: PFOR, HU, US

SUBJECT: MFN AND KADAR

1. ACTION REQUESTED: THIS MESSAGE PROPOSES THAT ADOPTION OF MFN AND OUR PLANS FOR IMPLEMENTING IT BE OFFICIALLY NOTIFIED TO HUNGARY BY A WRITTEN OR ORAL UNPUBLICIZED MESSAGE FROM PRESIDENT FORD TO FIRST SECRETARY KADAR. OBJECT IS TO MAXIMIZE FAVORABLE EFFECT OF DECISION, OPEN UP FURTHER ACCESS FOR US IN HUNGARY AND HAVE EFFECT ON KADAR'S OWN ATTITUDES TOWARD THE U.S. I HOPE DEPT WILL CONCUR IN THIS IDEA AND AUTHORIZE DELIVERY OF MESSAGE AT A RELATIVELY EARLY DATE.

2. MFN TO HUNGARIANS IS THE LARGEST SINGLE ISSUE IN OUR RELATIONS. OCCASION OF ITS ADOPTION IS THEREFORE THE MOST APPROPRIATE ONE WE COULD CHOOSE FOR A PRESIDENTIAL MESSAGE. BECAUSE THE 11TH PARTY CONGRESS IS IN PROSPECT NEXT SPRING CURRENT TIMING WOULD BE ESPECIALLY ADVANTAGEOUS. IMPLICATION FROM A MESSAGE THAT IN EXTENDING MFN WE ATTACH IMPORTANCE TO HUNGARY AS WELL AS TO USSR WOULD PRODUCE A FAVORABLE REACTION IN A COUNTRY SENSITIVE TO BEING TREATED INDEPENDENTLY IN SPITE OF ITS FOREIGN POLICY IDENTIFICATION WITH THE USSR.

3. KADAR WOULD PROBABLY INTERPRET SUCH A MESSAGE AS A FURTHER STEP TOWARD THE "COMPLETE NORMALIZATION" OF CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUDAPE 03514 241546Z

RELATIONS GOH SAYS IT WANTS AND TOWARD WHICH OUR RELATIONS

ARE STEADILY MOVING. FROM A RECENT CONVERSATION WIT DEPUTY FONMIN NAGY IT IS APPARENT THAT GOH REGARDS OUR CONTINUED POSSESSION OF CROWN AS IMPLYING RESERVATIONS ABOUT HUNGARY'S (AND KADAR'S) "LEGITIMACY." PRESUMABLY THIS IS HOW KADAR HIMSELF SEES IT. A MESSAGE FROM PRESIDENT WOULD BE LIKELY, ACCORDINGLY, TO HAVE AN UNUSUALLY FAVORABLE IMPACT ON HIS OWN VIEWS TOWARD U.S.

4. KADAR HAS WIDE SUPPORT AMONG THE HUNGARIAN POPULATON AS A KNOWN, LIVABLE QUANTITY, AND THEY TEND TO REGARD HIM AS ABOUT AS GOOD AS THEY COULD GET. WHILE HE HAS TO JUGGLE BOTH DOMESTIC FORCES AND SOVIET PRESSURES HE STILL TOWERS ABOVE ANYONE ELSE IN HUNGARY. OTHER MEMBERS OF POLIT-BURO CARRY WEIGHT, BUT NONE, INCLUDING PRIME MIN FOCK AND NEMETH, HAVE A DECISIVE VOICE IN POLICY FORMULATION. KADAR'S JUDGMENT IS THE DECISIVE ONE. WHILE IT APPEARS THAT JOCKEYING FOR POSITION IS GOING ON IN HUNGARY, WITH NEMETH NOW IN MOST PROMINENT LIGHT, OUR ESTIMATE REMAINS THAT KADAR WILL CONTINUE AS PARTY HEAD AFTER NEXT SPRING'S CONGRESS. BY IMPLICITLY RECOGNIZING HIS REAL SIGNIFICANCE IN A VIRTUALLY COSTLESS FORM WE MIGHT THEREFORE BE ABLE TO OPEN UP A NUMBER OF NEW OPPORTUNITIES TO OUR LONG RANGE ADVANTAGE.

5. KADAR HAS, OF COURSE, RECENTLY MADE EXTENSIVE OBEISANCE TO USSR. AT SAME TIME HE IS AN ADVOCATE OF COEXISTENCE POLICY, NOT JUST BECAUSE SOVS ARE, BUT ALSO BECAUSE IT HELPS OPEN UP HUNGARY'S OWN CONTACTS WITH THE WEST. FROM THE COURSE OF PREPARATIONS FOR THE PARTY CONGRESS OUR JUDGMENT ALSO IS THAT WHILE THE STATE'S ROLE IN ECONOMIC DECISION MAKING IS LIKELY TO INCREASE SOMEWHAT AND THERE WILL BE AN INCREASE ALSO IN IDEOLOGICAL OUTPUT, KADAR WILL KEEP HUNGARY'S MODERATE DOMESTIC POLICIES ON THEIR PRESENT COURSE, WHICH HAS MADE IT DOMESTICALLY THE MOST BENIGN OF THE WARSAW PACT COUNTRIES.

6. BESIDES SEEKING TO OPEN UP CONTACTS WITH PARTY OFFICIALS I WOULD HOPE TO USE DELIVERY OF MESSAGE FROM PRESIDENT ALSO TO DO THREE OTHER AUXILIARY THINGS--TO SEEK TO OPEN UP CONTACTS WITH PARTY OFFICIALS (FROM WHOM CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUDAPE 03514 241546Z

WESTERN DIPLOMATS ARE ESSENTIALLY EXCLUDED); TO OBTAIN ANY COMMENTS I CAN ABOUT THE NEXT PARTY CONGRESS; AND TO OBTAIN AN ASSESSMENT OF KADAR'S OWN CURRENT ATTITUDE TOWARD OUR RELATIONS (LAST WINTER HE SAID HE WANTED THEM TO MOVE FASTER). (I WOULD LIKE TO SAY I HAD BEEN INSTRUCTED TO RAISE PARTY CONTACT POINTS.)

7. PRESIDENT'S MESSAGE COULD BE RELATIVELY BRIEF.

ELEMENTS IT MIGHT INCLUDE WOULD BE (1) TO EXPRESS SATISFACTION THAT HE NOW IN POSITION TO MOVE TOWARD EXTENSION MFN TO HUNGARY AS WE AGREED TO DO AT TIME WE SIGNED THE CLAIMS AGREEMENT WITH GOH; (2) SAY BRIEFLY WHATEVER NEEDS TO BE SAID ABOUT CONGRESSIONAL QUALIFICATIONS; (3) INDICATE GENERAL TIME PERIOD WHEN NEGOTIATIONS MIGHT START; (4) EXPRESS DESIRE THAT PROGRESS IN ECONOMIC AREA BE ACCCOMPANIED BY PROGRESS IN OTHER AREAS AS WELL, INCLUDING POLITICAL, CULTURAL AND INFORMATIONAL; AND (5) CONCUR IN HUNGARY'S STATED DESIRE TO MOVE TOWARD "COMPLETE NORMALIZATION" OF RELATIONS.

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